



Monthly Bulletin



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California Residential Mortgage Foreclosure Protections

In light of several large, national mortgage lenders having been cited for alleged deficiencies in their residential mortgage foreclosure practices, DFI licensees and other stakeholders are reminded of three important pieces of legislation that were signed by Governor Schwarzenegger to protect distressed homeowners from foreclosure abuses:

On July 8, 2008, Governor Schwarzenegger signed [SB 1137](#) (Perata) which became effective immediately.

This legislation requires a lender or servicer to contact a borrower, or satisfy due diligence requirements, 30 days before filing a notice of default (applies to loans made from January 1, 2003 to December 31, 2007, secured by owner-occupied residential real property), for the purpose of assessing the borrower's financial situation and exploring options for the borrower to avoid foreclosure. SB 1137 also requires that at the time a notice of sale is posted on the property to be sold, the lender or servicer mail a specific notice to the resident of a property subject to foreclosure sale (in English and 5 specified languages). Finally, it requires the legal owner to maintain vacant residential property purchased at a foreclosure sale or acquired through foreclosure and provides for civil fines of up to \$1,000 per day for failure to maintain the property.

On February 20, 2009, Governor Schwarzenegger signed [ABX2 7](#) (Lieu) and [SBX2 7](#) (Corbett), which established the California Foreclosure Prevention Act (CFPA). The CFPA modified the foreclosure process to provide additional time for borrowers to work out loan modifications while providing an exemption for mortgage loan servicers that implemented a comprehensive loan modification program. Civil Code Section 2923.52 now requires an additional 90 day period beyond the period already provided before a Notice of Sale can be given in order to allow all parties to pursue a loan modification to prevent foreclosure of loans meeting certain criteria identified in that section.

Reminder: Circulating Rumors about Banks, Credit Unions Prohibited by Financial Code

It has come to the attention of the Commissioner of Financial Institutions that in this period of economic hardship and uncertainty, several licensees of the Department have been subject to rumors and false assertions that have had derogatory affects on the financial standing of those institutions. In appropriate circumstances, the Department has stepped forward to issue warning letters against persons unfairly demeaning our licensees.

The Commissioner reminds everyone that Financial Code Section 756 provides, in pertinent part: “(a) Any person who willfully and knowingly makes, circulates, or transmits to another or others, any statement or rumor, written, printed, or by word of mouth, which is untrue in fact and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of any bank doing business in this state . . . is guilty of a misdemeanor punishable by a fine of not more than one thousand dollars (\$1,000), or by imprisonment for not more than one year, or both.” A virtually identical provision of law applies to false statements regarding credit unions (Financial Code Section 14051).

As the effect of untrue statements may spread from the falsely maligned bank or credit union to a general contagion among other institutions, the Department of Financial Institutions will take a very close look at any false statement regarding our licensees. Where appropriate, the Department will continue to issue warning letters to protect those licensees that are subject to the unfair statements, and will consider taking stronger action in the appropriate circumstances.

Commissioner William S. Haraf to Serve on the Financial Stability Oversight Council

Commissioner William S. Haraf will serve as the representative for the Conference of State Bank Supervisors (CSBS) on the Financial Stability Oversight Council (FSOC). Established by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the FSOC is charged with responsibility for identifying risks to the financial system, promoting market discipline and responding to emerging threats to financial stability. The Council is chaired by the Secretary of the Treasury and includes as voting members the heads of all of the federal regulatory bodies. The Dodd-Frank Act also provides that state banking, insurance and securities supervisors shall each name a nonvoting member to the FSOC. As the professional regulatory association for state bank commissioners, CSBS named Commissioner Haraf to serve on the FSOC upon the recommendation of CSBS Chairman Tom Gronstal and a vote of its Board of Directors.

Treasury Secretary Tim Geithner, in his capacity as FSOC chairperson, called the first meeting of FSOC on October 1, 2010 at the U.S. Treasury Department.

Transmitter of Money Abroad Suspends Operations

Maniflo Money Exchange, Inc. suspended its operations effective September 17, 2010. Consumers may contact Ferdinand Agpaoa, General Manager at 1442 Highland Avenue, National City, CA at (619) 474 - 1547 or by Fax at (619) 434-0830. Consumers who wish to file a claim should call the DFI Consumer Information Desk's toll free number, 1-800-622-0620 or email consumer@dfi.ca.gov. Consumer complaint forms in English and other languages are available at <http://www.dfi.ca.gov/forms/consumer/consumerforms.asp>.

Local Agency Security Assessment

In accordance with Government Code section 53667, the Administrator of Local Agency Security has assessed all depositories in California in which the monies of local agency securities are deposited in order to fund the operations of the Department of Financial Institutions in administering the laws relating to local agency security. Invoices were mailed to depositories on September 23, 2010.

For the purposes of this assessment, the base rate was set at \$1.00 per \$40,000 in average local agency deposits for the fiscal year July 1, 2009 through June 30, 2010. The assessment is necessary to fund the budget of the Department of Financial Institutions to meet the expenses of the Administrator in administering the laws regarding local agency security and to provide a reasonable reserve for contingencies.

Depositories must pay their assessment no later than October 13, 2010. For questions regarding the assessment, contact Patrick Lum at (916) 323-7013 or by email at plum@dfi.ca.gov.

Commercial Bank Activity

Acquisition of Control

RBB Bancorp, to acquire control of Royal Business Bank
Filed: 8/30/10

Conversion to State Charter

Bay Cities National Bank, Redondo Beach, to convert to state-chartered commercial bank under the name of Opus Bank
Effected: 9/30/10

California General Bank, N.A., Pasadena to convert to state-chartered commercial bank under the name of California General Bank
Filed: 9/23/10

Merger

First Commerce Bank, Encino, to merge with and into Grandpoint Bank, Los Angeles
Filed: 9/30/10

Change of Name

First Standard Bank, to change its name to Open Bank
Effected: 9/20/10

Premium Finance Company Activity

New Premium Finance Company

C & C Premium Finance Corp.
500 N. State College Boulevard, Orange, Orange County
Approved: 9/2/10

GBC Premium Finance, Inc.
110 E. 9th Street, City and County of Los Angeles
Opened: 9/16/10

Sundance Premium Finance Company
6943 Wildrose Terrace, City and County of San Diego
Opened: 9/13/10

Credit Union Activity

Merger

Focus One Community Credit Union, Monrovia, to merge with and into First City Credit Union, Los Angeles
Filed: 6/8/10
Approved: 7/12/10

Santa Fe Springs City Employees Credit Union, Santa Fe Springs, to merge with and into Financial Partners Credit Union, Downey
Filed: 8/4/10
Approved: 9/21/10
Effected: 9/30/10

UFCW #916, Redding, to merge with and into Members 1st Credit Union, Redding
Filed: 9/22/10

Foreign (Other Nation) Bank Activity

New Office

Standard Chartered Bank
790 East Colorado Boulevard, Pasadena, Los Angeles County (Representative Office)
Opened: 9/1/10

Foreign (Other State) Bank Application

New Facility

Kingsbridge Trust Company, Inc.
18818 Teller Avenue, Irvine, Orange County (Facility – Uninsured Trust Company)
Approved: 9/1/10

Transmitter of Money Abroad Activity

New Transmitter

M-VIA, INC.
Expired: 9/15/10

Voluntary Surrender of License

Amparo's Foreign Exchange, Inc.
Effected: 9/22/10

Change of Name

Antequera, Inc., to change its name to M. Lhuillier Financial Services, Inc.
Effected: 9/17/10

WILLIAM S. HARAF
Commissioner of Financial Institutions

Bulletin for Month ended
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to Financial Code section 258

